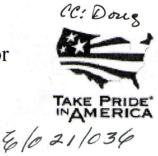


United States Department of the Interior

BUREAU OF LAND MANAGEMENT Cedar City Field Office

176 East DL Sargent Drive Cedar City, UT 84720 Telephone (435) 586-2401 www.ut.blm.gov/cedar_city/



In Reply Refer To: UT-042 3809: UTU-80858

November 17, 2005

Mr. Merril Jessop Royal Direct Inc. P.O. Box 340 Colorado City, AZ 86021

Dear Mr. Jessop:

I am writing in regard to your notice (BLM file UTU-80858, DOGM file E/021/036) for the Thermo #2 Project, located northwest of Mound Mountain in the Black Mountains, Iron County, Utah.

The notice was received in this office on October 16, 2003 and proposed exploration trenching and sampling of altered volcanic rock in the project area. The notice was acknowledged by this office as complete and in compliance with the applicable 3809 regulation by letter dated October 31, 2003. A bond of \$3,000 to secure reclamation of the proposed disturbances was also accepted by the BLM Utah State Office on October 31, 2003. The notice expired on October 31, 2005 and I informed you in writing via letter dated Nov. 1, 2005 that the project disturbances would either have to be reclaimed immediately or a new notice submitted to continue the exploration work.

On November 9 you telephoned Ed Ginouves of my staff to inform him that the project had been completed and that you were ready to reclaim the site and close out the notice. On November 15, Mr. Ginouves met with Wallace Jessop on site and Mr. Jessop performed the earthwork reclamation to satisfactorily reclaim the site. The site disturbances were broadcast with a suitable seed mix to re-establish vegetation on the disturbed areas.

Accordingly, I have recommended that your bond monies be returned to you. Subject to DOGM concurrence, you are hereby released from any reclamation liability for the lands included in this project and any right to enter and conduct disturbance under this notice is hereby terminated.

If you have any questions, please feel free to contact Ed Ginouves directly at 435-865-3040.

Sincerely,

Randy M. Trujillo

Associate Field Office Manager

NOV 2 1 2005

DIV OF OIL, GAS & MINING

cc: Doug Jensen, DOGM (E/021/036, Thermo #2)
Opie Abeyta, UT-924